

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name Sheridan Charter Township	County Newaygo
Fiscal Year End December 31, 2006	Opinion Date February 27, 2007	Date Audit Report Submitted to State April 2, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

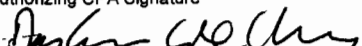
YES
NO

Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) Douglas Wohlberg CPA		Telephone Number (616) 583-0094	
Street Address PO Box 1013		City Byron Center	State MI
Zip 49315			
Authorizing CPA Signature 	Printed Name Douglas Wohlberg CPA	License Number 18239	

Sheridan Charter Township

Newaygo County, Michigan

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

Year Ended December 31, 2006

Sheridan Charter Township

Newaygo County, Michigan

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December 31, 2006

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DOUGLAS WOHLBERG

Certified Public Accountant

To the Township Board
Sheridan Charter Township
Newaygo County, Michigan

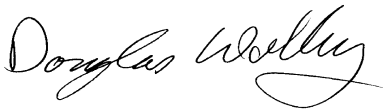
We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund of Sheridan Charter Township as of and for the year ended December 31, 2006, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Sheridan Charter Township management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Sheridan Charter Township as of December 31, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Sheridan Charter Township basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Byron Center, Michigan
February 27, 2007

SHERIDAN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2006

Using this Annual Report

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements tell how these services were financed in the short-term, as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide financial statements.

The Township as a Whole

The Township's combined net assets increased 0.1% from a year ago, increasing from \$1,369,548 to \$1,370,321. The Township experienced decreases in General Fund Charges for Service revenue. The General Fund expenses had a significant increase in the Department of Public Works because of road maintenance, and Community Development because of additional activity in the Joint Planning Commission. The Sewer Fund experienced increases in revenues as a result of an increase in fees. The Sewer Fund also had larger expenses because of an increase in depreciation expense related to the reconstruction of a lift station.

The Township is jointly working with Dayton Township and the City of Fremont on a bike path that will eventually encircle Fremont Lake connecting all three entities.

In a condensed format, the table below shows a comparison of the net assets as of December 31, 2006 to the prior year:

	2006	2005
Current assets	\$ 482,604	\$ 702,760
Noncurrent assets	1,352,609	1,279,459
Total assets	1,835,213	1,982,219
Long-term debt outstanding	440,000	455,000
Other liabilities	24,892	157,671
Total liabilities	464,892	612,671
Net assets		
Invested in capital assets - net of debt	897,609	779,511
Unrestricted	472,712	590,037
Total net assets	\$ 1,370,321	\$ 1,369,548

Unrestricted net assets, the part of net assets that can be used to finance day to day operations, decreased by \$117,325 for the governmental activities. This represents a decrease in net assets of approximately 20%. The current level of unrestricted net assets for our governmental activities stands at \$385,751, or about 162% of expenditures. This is within the targeted range set by the Township Board during its last budget process.

SHERIDAN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2006

The following table shows the changes of the net assets as of December 31, 2006 to the prior year:

	2006	2005
<u>Program revenues</u>		
Charges for services	\$ 99,773	\$ 107,562
<u>General Revenue</u>		
Property tax	64,028	60,288
State shared revenue	166,091	166,180
Investment income	3,809	2,585
Rents and contracts	2,690	6,766
Miscellaneous	23,000	17,209
Total Revenues	359,391	360,590
<u>Program expenses</u>		
General government	108,054	90,916
Public safety	47,535	51,094
Public works	47,364	26,534
Community and economic development	40,532	33,922
Recreation and culture	1,905	4,095
Sewer	113,228	80,230
Total expenses	358,618	286,791
Change in net assets	\$ 773	\$ 73,799

Governmental Activities

Expenses increased by \$71,827 over the previous year. This resulted from additional expenses for road maintenance and for the Joint Planning Commission. General Fund actual revenues exceeded budgeted revenues by \$15,117 or 6%. General Fund actual expenditures were less than budgeted expenditures by \$78,030, or 25%. This variance resulted from lower than expected legal fees for the Township Board and lower than expected expenditures for Planning and Zoning.

The Township's Funds

Our analysis of the Township's major funds begins on page 12, following the entity wide financial statements. The fund financial statements provide detail information about the most significant funds, not the Township as a whole. The Township Board creates funds to help manage money for specific purposes as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2006 were the General Fund and the Sewer Fund.

Capital Asset and Debt Administration

During 2006, the Township added \$164,434 to the Sewer System. This is the reconstruction of a lift station. At the end of 2006, the Township had \$1,352,609 invested in a various assets including the Township hall and the sewer system.

SHERIDAN CHARTER TOWNSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2006

Economic Factors and Next Year's Budgets and Rates

The Township's management does not expect the Township's budget for 2007 to change significantly from its 2006 budget as no new projects are being considered.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Township's Supervisor, Clerk or Treasurer. The Township's phone number is (231) 924-4566.

BASIC FINANCIAL STATEMENTS

Sheridan Charter Township

Newaygo County, Michigan

Balance Sheet

For the year ended December 31, 2006

	Governmental activities	Business type activities	Total
ASSETS			
Cash and cash equivalents	\$ 304,102	\$ 47,186	\$ 351,288
Receivables (net)	85,001	18,715	103,716
Discount on long-term debt	-	7,565	7,565
Unamortized debt issuance costs	-	20,035	20,035
Capital assets - net	164,658	1,187,951	1,352,609
TOTAL ASSETS	\$ 553,761	\$ 1,281,452	\$ 1,835,213
LIABILITIES			
Accounts payable	\$ 2,352	\$ 6,540	\$ 8,892
Accrued and other liabilities	1,000	-	1,000
Due within one year	-	15,000	15,000
Due in more than one year	-	440,000	440,000
TOTAL LIABILITIES	3,352	461,540	464,892
NET ASSETS			
Invested in capital assets	164,658	732,951	897,609
Unrestricted	385,751	86,961	472,712
TOTAL NET ASSETS	550,409	819,912	1,370,321
TOTAL LIABILITIES AND NET ASSETS	\$ 553,761	\$ 1,281,452	\$ 1,835,213

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Statement of Activities

For the year ended December 31, 2006

Functions/Programs	Expenses	Charges for services	Governmental activities
<u>Government activities</u>			
General government	\$ 108,054	\$ 30,439	\$ (77,615)
Public safety	47,535	-	(47,535)
Public works	47,364	-	(47,364)
Community and economic development	40,532	-	(40,532)
Recreation and culture	1,905	-	(1,905)
Total Governmental activities	245,390	30,439	(214,951)
<u>Business activities</u>			
Sewer	113,228	69,334	
Totals	358,618	99,773	(214,951)
<u>General Revenues</u>			
Property taxes			64,028
State-shared revenue			166,091
Unrestricted investment income			3,125
Rent and contracts			2,690
Miscellaneous			23,000
Total general revenues - special items and transfers			258,934
Change in net assets			43,983
Net assets at beginning of year			506,426
Net assets at end of year		\$	550,409

The Notes to the Financial Statements are an integral part of this statement.

Business-type activities		Total
\$	\$	(77,615)
		(47,535)
		(47,364)
		(40,532)
		(1,905)
		(214,951)
	(43,894)	(43,894)
	(43,894)	(258,845)
-		64,028
-		166,091
684		3,809
-		2,690
-		23,000
684		259,618
	(43,210)	773
863,122		1,369,548
\$ 819,912	\$	1,370,321

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Governmental Funds

Balance Sheet

December 31, 2006

	General Fund (Major Fund)
<u>ASSETS</u>	
Cash	\$ 304,102
Taxes receivable	83,008
Special assessments receivable	1,993
TOTAL ASSETS	\$ 389,103
<u>LIABILITIES AND FUND EQUITY</u>	
LIABILITIES	
Accounts payable	\$ 2,352
Customers deposits payable	1,000
TOTAL LIABILITIES	3,352
FUND BALANCES	
Fund balance	385,751
TOTAL LIABILITIES AND FUND BALANCES	\$ 389,103

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Reconciliation of Fund Balance of Governmental Funds to the Net Assets of Governmental Activities on the Statement of Net Assets

For the year ended December 31, 2006

Total fund balances - total governmental funds	\$	385,751
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

Capital assets at cost	261,953
Accumulated depreciation	(97,295)

Net capital assets	164,658
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Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. Balances at December 31, 2006 were:

Net assets of governmental activities	\$	550,409
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The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

For the year ended December 31, 2006

	General Fund (Major Fund)
REVENUE	
Property Taxes	\$ 84,618
State Grants	166,091
Licenses and Permits	2,791
Charges for Services	7,058
Interest and Rentals	5,815
Other Revenue	23,000
TOTAL REVENUE	289,373
EXPENDITURES	
General government	94,346
Public safety	47,534
Department of public works	47,365
Community and economic development	40,532
Recreation and culture	640
Other governmental functions	8,134
TOTAL EXPENDITURES	238,551
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	50,822
OTHER FINANCING SOURCES (USES)	
NET CHANGE IN FUND BALANCES	50,822
FUND BALANCES, BEGINNING OF YEAR	334,929
FUND BALANCES, END OF YEAR	\$ 385,751

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended December 31, 2006

<hr/>		
Net change in fund balances - total governmental funds	\$	50,822
Some expense reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Depreciation		(6,839)
Change in net assets of government activities	\$	43,983
<hr/>		

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Sewer Fund

Statement of Net Assets

December 31, 2006

	2006	2005
ASSETS		
Current assets		
Cash	\$ 43,644	\$ 340,469
Accounts receivable	18,715	16,593
Total Current assets	62,359	357,062
Noncurrent assets		
Cash	3,542	9,769
Discount on long-term debt	7,565	8,209
Unamortized debt issuance costs	20,035	21,739
Total Noncurrent assets	31,142	39,717
Capital assets	1,187,951	1,078,014
TOTAL ASSETS	\$ 1,281,452	\$ 1,474,793
LIABILITIES		
Current liabilities		
Accounts payable	\$ 6,540	\$ 141,671
Long-term liabilities		
Bonds payable	455,000	470,000
TOTAL LIABILITIES	461,540	611,671
NET ASSETS		
Invested in capital assets - net of related debt	732,951	608,014
Unrestricted	86,961	255,108
TOTAL NET ASSETS	819,912	863,122
TOTAL LIABILITIES AND NET ASSETS	\$ 1,281,452	\$ 1,474,793

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Sewer Fund

Statement of Revenue, Expenses and Changes in Net Assets

For the year ended December 31, 2006 with comparative actual amounts for 2005

	2006	2005
<u>Operating revenue</u>		
Services rendered	\$ 69,334	\$ 63,360
 <u>OPERATING EXPENSES</u>		
Salaries	1,330	1,330
Payroll taxes	96	102
Supplies	230	222
Contractual services	34,620	42,387
Utilities	1,622	822
Repairs	-	1,315
Depreciation	54,497	32,215
<u>TOTAL OPERATING EXPENSES</u>	<u>92,395</u>	<u>78,393</u>
 <u>OPERATING INCOME</u>	<u>(23,061)</u>	<u>(15,033)</u>
 <u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest on investments	684	1,036
Interest expense	(20,833)	(1,837)
<u>TOTAL NONOPERATING REVENUES (EXPENSES)</u>	<u>(20,149)</u>	<u>(801)</u>
 <u>CHANGE IN NET ASSETS</u>	<u>(43,210)</u>	<u>(15,834)</u>
 <u>NET ASSETS - BEGINNING OF YEAR</u>	<u>863,122</u>	<u>878,956</u>
 <u>NET ASSETS - END OF YEAR</u>	<u>\$ 819,912</u>	<u>\$ 863,122</u>

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Sewer Fund

Statement of Cash Flows

For the year ended December 31, 2006

	2006	2005
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Receipts from customers	\$ 67,212	\$ 64,186
Payments to suppliers	(171,603)	(44,746)
Payments to employees	(1,426)	(1,432)
Amortization	2,348	-
Due from other funds	-	(80,000)
Net cash provided (used) by operating activities	(103,469)	(61,992)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Proceeds from capital debt	-	440,052
Purchase of capital assets	(164,434)	(45,184)
Principal and interest paid on capital debt	(35,833)	(46,837)
Net cash provided (used) by capital and related financing activities	(200,267)	348,031
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest and dividends	684	1,036
Net increase (decrease) in cash and cash equivalents	(303,052)	287,075
Balances - beginning of year	350,238	63,163
Balances - end of year	\$ 47,186	\$ 350,238
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>		
Operating income (loss)	\$ (23,061)	\$ (15,033)
Provided (used) by operating activities		
Depreciation	54,497	32,215
Change in net assets and liabilities		
Receivables - net	(2,122)	826
Accounts and other payables	(135,131)	-
Due to other funds	-	(80,000)
Amortization	2,348	-
Net cash provided by operating activities	\$ (103,469)	\$ (61,992)

The Notes to the Financial Statements are an integral part of this statement.

Sheridan Charter Township

Newaygo County, Michigan

Fiduciary Funds

Statement of Net Assets

For the year ended December 31, 2006

<u>Agency Fund Type</u>		
<u>ASSETS</u>		
Cash and cash equivalents	\$	55,310
<u>LIABILITIES</u>		
Undistributed taxes	\$	55,310

The Notes to the Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Sheridan Charter Township conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by Sheridan Charter Township:

A. Reporting Entity

Sheridan Charter Township is governed by an elected seven-member Board. The accompanying financial statements present the activities of the Township. There are no component units to be included in these financial statements in accordance with accounting principles generally accepted in the United States.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

Sheridan Charter Township's property tax is levied on each December 1 on the taxable valuation of property (as defined by State statutes) located in Sheridan Charter Township as of the preceding December 31st.

Although Sheridan Charter Township's 2006 ad valorem tax is levied and collectible on December 1, 2006, it is Sheridan Charter Township's policy to recognize revenue from the current tax levy in the current year when the proceeds of this levy are budgeted and made "available" for the financing of operations. "Available" means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period (60 days).

The 2006 taxable valuation of Sheridan Charter Township totaled \$68,537,844, on which ad valorem taxes levied consisted of the following:

		Mills levied		Raising
Operating	\$	0.9107	\$	62,417

These amounts are recognized in the General Fund financial statements as taxes receivable-current.

The government reports the following major governmental fund:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The government reports the following major proprietary fund:

The Sewer Fund account for the activities of the sewage collection system.

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Additionally, the government reports the following fund type:

Trust and agency funds to account for property tax collected on behalf of other governmental units.

Private-sector standards of accounting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with the standards of the Governmental Accounting Standards Board. The government has elected to also follow private-sector standards issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the government's water and sewer function and various other functions of the government. Eliminations of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenue include: (1) charges to customers or applicants for goods, services or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenue rather than as program revenue. Likewise, general revenue includes all taxes.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

D. Assets, Liabilities, and Net Assets or Equity

Bank Deposits and Investments--Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Receivables and Payables--In general, outstanding balances between funds are reported as "due to/from other funds." Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Inventories and Prepaid Items--Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets--Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$2,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Property, plant and equipment is depreciated using the straight-line method over the following useful lives:

Buildings	40 to 60 years
Building improvements	15 to 30 years
Water and Sewer Lines	50 to 75 years
Vehicles	3 to 5 years
Office equipment	5 to 7 years
Computer equipment	3 to 7 years

Long-Term Obligations--In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

Fund Equity--In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications--Comparative total data for the prior year have been presented in the financial statements in order to provide an understanding of the changes in the financial position and operations of these funds. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 2-STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information--Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

The Township normally follows these procedures in establishing the budgetary data reflected in the financial statements:

On or before September 1, the Township supervisor submits to the Board, a proposed operating budget for the fiscal year commencing on January 1. The operating budget includes proposed expenditures and the means of financing them.

A public hearing is conducted at the Township hall to obtain taxpayer comments.

On or before November 1, the budget is adopted by resolution.

The transfer of budgeted amounts between departments within any fund or any revisions that alter the total expenditures of any fund must be approved by the Township Board.

Budgeted amounts are presented as originally adopted, or as amended by the Township Board before December 31. Individual amendments were not material in relation to the original appropriations which were amended.

Budgets as presented for the general and debt service funds are prepared on the modified accrual basis of accounting on the activity level. Encumbrances are not recorded at year end. Budget appropriations lapse at the end of each fiscal year.

Budgetary amounts reported herein are as originally adopted, or as amended by the Township Board throughout the operating year.

The Township legally adopts budgets for the General Fund.

Budgets shown in the financial statements are adopted on a basis consistent with generally accepted accounting principles, and consist only of those amounts contained in the formal budget approved as amended by the Township Board.

The legal level of control is at the activity level of the General Fund.

The Township Clerk is authorized to transfer budgeted amounts between accounts within the same department. Revisions that alter the total expenditures of any fund or total department expenditures must be approved by the Township Board.

The budget document presents information by fund, function, department and line items. The legal level of budgetary control adopted by the governing body is the department level.

Amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 3 - DEPOSITS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes Sheridan Charter Township to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Board in accordance with Public Act 196 of 1997 has authorized investment in all of State statutory authority as listed above.

The Township's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk. At the year end, the Township had \$225,396 of bank deposits (money market, checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

NOTE 4 - RECEIVABLES

Receivables as of year-end for the Township's individual major and nonmajor funds including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Sewer Fund	Total
Taxes receivable	\$ 62,418	\$ -	\$ 62,418
Tax administration fee	20,590	-	20,590
Special assessment	1,993	-	1,993
Accounts	-	18,715	18,715
Net Receivables	\$ 85,001	\$ 18,715	\$ 103,716

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 5 - CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

Governmental Activities	Balance January 1, 2006	Additions	Disposals	Balance December 31, 2006
Assets not being depreciated	\$ 20,000	\$	\$	\$ 20,000
Capital assets being depreciated:				
Buildings	222,978			222,978
Land improvements	18,975			18,975
Subtotal	241,953			241,953
Accumulated depreciation:				
Buildings	89,191	5,574		94,765
Land improvements	1,265	1,265		2,530
Subtotal	90,456	6,839		97,295
Net capital assets being depreciated	151,497	(6,839)		144,658
Net capital assets	\$ 171,497	\$ (6,839)	\$	\$ 164,658

Business-Type Activities	Balance January 1, 2006	Additions	Disposals	Balance December 31, 2006
Capital assets being depreciated:				
Mains	\$ 1,706,684	\$ 164,434	\$	\$ 1,871,118
Accumulated depreciation:				
Mains	628,670	54,497		683,167
Net capital assets	\$ 1,078,014	\$ 109,937	\$	\$ 1,187,951

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$	5,574
Recreation		1,265
Total governmental activities	\$	6,839

Business-Type activities:

Sewer	\$	54,497
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NOTE 6 - LONG-TERM DEBT

Bond and contractual obligation activity can be summarized as follows:

	Balance January 1, 2006	Additions	Reductions	Balance December 31, 2006	Amount Due Within One Year
Sewer System Bonds	\$ 470,000	\$	\$ 15,000	\$ 455,000	\$ 15,000

Annual debt service requirements to maturity for the above obligations are as follows:

December 31,	Principal	Interest	Total
2007	\$ 15,000	\$ 18,636	\$ 33,636
2008	20,000	18,148	38,148
2009	20,000	17,498	37,498
2010	20,000	16,848	36,848
2011	20,000	16,148	36,148
2012	20,000	15,428	35,428
2013	20,000	14,688	34,688
2014	20,000	13,928	33,928
2015	20,000	13,148	33,148
2016	25,000	12,348	37,348
2017	25,000	11,322	36,322
2018	25,000	10,272	35,272
2019	25,000	9,198	34,198
2020	25,000	8,110	33,110
2021	30,000	7,010	37,010
2022	30,000	5,676	35,676
2023	30,000	4,326	34,326
2024	30,000	2,976	32,976
2025	35,000	1,610	36,610
Totals	\$ 455,000	\$ 217,318	\$ 672,318

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 7 - SEGMENT INFORMATION

The Township operates a fund to provide sewage services. Summary financial information for the sewer department is presented below:

Condensed Statement of Net Assets

	Sewer Fund
Assets	
Current assets	\$ 62,359
Restricted assets	3,542
Discount on long-term debt	7,565
Unamortized debt issuance cost	20,035
Capital assets	1,187,951
Total Assets	1,281,452
Liabilities	
Current liabilities	6,540
Noncurrent liabilities	455,000
Total Liabilities	461,540
Net Assets	
Invested in capital assets	732,951
Unrestricted	86,961
Total Net Assets	\$ 819,912

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

Condensed Statement of Revenue, Expenses, and Changes in Net Assets

	Sewer Fund
Sewer Charges	\$ 69,334
Depreciation	54,497
Other operating expenses	37,898
Operating income	(23,061)
Nonoperating revenue (expense)	
Investment earnings	684
Interest expense	(20,833)
Total nonoperating revenue and expenses	(20,149)
Changes in net assets	(43,210)
Beginning net assets	863,122
Ending net assets	\$ 819,912

Condensed Statement of Cash Flows

	Sewer Fund
Net cash provided by (used in)	
Operating activities	\$ (103,469)
Capital and related financing activities	(200,267)
Investing activities	684
Net increase (decrease) in cash	(303,052)
Beginning cash and cash equivalents	350,238
Ending cash and cash equivalents	\$ 47,186

Sheridan Charter Township

Newaygo County, Michigan

Notes to Basic Financial Statements

For the year ended December 31, 2006

NOTE 8 - RESTRICTED ASSETS

The balances of the restricted asset accounts in the enterprise funds are as follows:

Bond reserve	\$	3,542
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NOTE 9 - RISK MANAGEMENT

Sheridan Charter Township is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation). Sheridan Charter Township has purchased commercial insurance. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

The Township has no post-retirement benefit plans.

REQUIRED SUPPLEMENTAL INFORMATION

Sheridan Charter Township

Newaygo County, Michigan

General Fund

Balance Sheet

December 31, 2006 and 2005

	2006	2005
ASSETS		
Cash	\$ 304,102	\$ 254,931
Taxes receivable	83,008	79,005
Special assessments receivable	1,993	1,993
TOTAL ASSETS	\$ 389,103	\$ 335,929
LIABILITIES AND FUND EQUITY		
LIABILITIES		
Accounts payable	\$ 2,352	\$ -
Customers deposits payable	1,000	1,000
TOTAL LIABILITIES	3,352	1,000
FUND BALANCES		
Fund balance	385,751	334,929
TOTAL LIABILITIES AND FUND BALANCES	\$ 389,103	\$ 335,929

Sheridan Charter Township

Newaygo County, Michigan

General Fund

Budgetary Comparison Schedule

For the year ended December 31, 2006

	Original budget	Final budget	Actual	Variance with final budget	2005
REVENUES					
Property Taxes					
Current property taxes	\$ 56,741	\$ 56,741	\$ 64,028	\$ 7,287	\$ 60,288
Property tax administration fee	19,915	19,915	20,590	675	20,414
Total Property Taxes	76,656	76,656	84,618	7,962	80,702
State Grants					
State revenue sharing	169,000	169,000	166,091	(2,909)	166,180
Licenses and Permits					
Non-business licenses and permits	4,000	4,000	2,791	(1,209)	3,605
Charges for Services					
Charges for services	10,000	10,000	7,048	(2,952)	15,640
Sales	200	200	10	(190)	4,543
Total Charges for Services	10,200	10,200	7,058	(3,142)	20,183
Interest and Rentals					
Interest on investments	2,000	2,000	3,125	1,125	1,549
Rent	5,000	5,000	2,690	(2,310)	6,766
Total Interest and Rentals	7,000	7,000	5,815	(1,185)	8,315
Other Revenue					
Special assessments	1,900	1,900	1,993	93	1,979
Reimbursements	5,500	5,500	21,007	15,507	14,554
Sale of fixed assets	-	-	-	-	575
Refunds	-	-	-	-	100
Total Other Revenue	7,400	7,400	23,000	15,600	17,208
TOTAL REVENUES	274,256	274,256	289,373	15,117	296,193

Sheridan Charter Township

Newaygo County, Michigan

General Fund

Budgetary Comparison Schedule

For the year ended December 31, 2006

	Original budget	Final budget	Actual	Variance with final budget	2005
EXPENDITURES					
General government					
Township board	\$ 36,090	\$ 36,090	\$ 6,600	\$ 29,490	\$ 7,692
Supervisor	11,380	11,380	10,761	619	10,856
Clerk	15,890	15,890	12,887	3,003	13,116
Information technology	3,500	3,500	1,004	2,496	1,347
Board of review	1,460	1,460	1,356	104	1,049
Treasurer	20,450	20,450	16,496	3,954	12,628
Assessor	17,650	17,650	17,474	176	17,574
Elections	5,490	5,490	6,229	(739)	1,163
Buildings and grounds	20,600	26,530	20,964	5,566	12,770
Cemetery	600	600	575	25	550
Total General government	133,110	139,040	94,346	44,694	78,745
Public Safety					
Fire department	55,000	55,000	47,534	7,466	51,094
Department of public works					
Drains	5,225	5,225	5,225	-	-
Highway, streets and bridges	35,400	35,400	37,979	(2,579)	24,391
Street lighting	3,400	3,400	2,746	654	2,142
Sanitation	2,000	2,000	1,415	585	-
Total Department of public works	46,025	46,025	47,365	(1,340)	26,533
Community and economic development					
Planning	61,516	61,516	40,532	20,984	33,922
Recreation and culture					
Parks and recreation department	6,500	6,500	640	5,860	21,805
Other governmental functions					
Insurance	8,000	8,000	8,134	(134)	7,078
Tax tribunal refunds	500	500	-	500	-
Total Other governmental functions	8,500	8,500	8,134	366	7,078

Sheridan Charter Township

Newaygo County, Michigan

General Fund

Budgetary Comparison Schedule

For the year ended December 31, 2006

	Original budget	Final budget	Actual	Variance with final budget	2005
TOTAL EXPENDITURES	\$ 310,651	\$ 316,581	\$ 238,551	\$ 78,030	\$ 219,177
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(36,395)	(42,325)	50,822	93,147	77,016
<u>OTHER FINANCING SOURCES (USES)</u>					
Prior period adjustment	-	-	-	-	481
NET CHANGE IN FUND BALANCES	(36,395)	(42,325)	50,822	93,147	77,497
Fund balance at beginning of year	334,929	334,929	334,929	-	257,432
Fund balance at end of year	\$ 298,534	\$ 292,604	\$ 385,751	\$ 93,147	\$ 334,929

LONG-TERM DEBT SCHEDULES

Sheridan Charter Township

Newaygo County, Michigan

Schedule of Bonded Debt

\$470,000 Sanitary Sewer - Limited Tax General Obligation Bonds

December 31, 2006

Year ended December 31,	Interest Rate	October 1 Principal	April 1 Interest	October 1 Interest	Total
2007	3.250%	\$ 15,000	\$ 9,318	\$ 9,318	33,636
2008	3.250%	20,000	9,074	9,074	38,148
2009	3.250%	20,000	8,749	8,749	37,498
2010	3.500%	20,000	8,424	8,424	36,848
2011	3.600%	20,000	8,074	8,074	36,148
2012	3.700%	20,000	7,714	7,714	35,428
2013	3.800%	20,000	7,344	7,344	34,688
2014	3.900%	20,000	6,964	6,964	33,928
2015	4.000%	20,000	6,574	6,574	33,148
2016	4.100%	25,000	6,174	6,174	37,348
2017	4.200%	25,000	5,661	5,661	36,322
2018	4.300%	25,000	5,136	5,136	35,272
2019	4.350%	25,000	4,599	4,599	34,198
2020	4.400%	25,000	4,055	4,055	33,110
2021	4.450%	30,000	3,505	3,505	37,010
2022	4.500%	30,000	2,838	2,838	35,676
2023	4.500%	30,000	2,163	2,163	34,326
2024	4.550%	30,000	1,488	1,488	32,976
2025	4.600%	35,000	805	805	36,610
Totals		\$ 455,000	\$ 108,659	\$ 108,659	\$ 672,318

AUDITORS' REPORTS

COMMUNICATION WITH AUDIT COMMITTEE OR ITS EQUIVALENT

To the Township Board
Sheridan Charter Township
Newaygo County, Michigan

We have audited the general purpose financial statements of Sheridan Charter Township, Newaygo County, Michigan for the year ended December 31, 2006, and have issued our report thereon dated February 27, 2007. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As stated in our engagement letter dated February 2, 2007, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the general purpose financial statements are free of material misstatement and are fairly presented in accordance with accounting principles generally accepted in the United States of America. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, fraud, or other illegal acts may exist and not be detected by us.

As part of our audit, we considered the internal control of Sheridan Charter Township. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

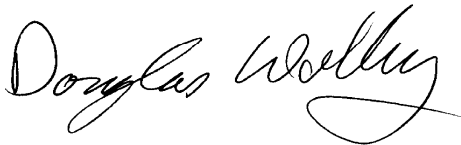
As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Sheridan Charter Township's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by Sheridan Charter Township are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2006. We noted no transactions entered into by Sheridan Charter Township during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

We encountered no significant difficulties in dealing with management in performing our audit.

This information is intended solely for the use of the Township Board and management of Sheridan Charter Township and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg CPA
Byron Center, Michigan
February 27, 2007

MANAGEMENT COMMENTS LETTER

To the Township Board
Sheridan Charter Township
Newaygo County, Michigan

In planning and performing our audit of the financial statements of Sheridan Charter Township for the year ended December 31, 2006, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements.

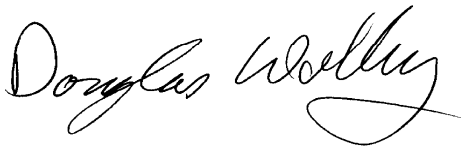
Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect Sheridan Charter Township's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that errors or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no material weaknesses.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

This report is intended solely for the information and use of the Township Board, management, and others within the administration or the State of Michigan and is not intended to be and should not be used by anyone other than these specified parties.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in our audit of the December 31, 2006 financial statements, and this report does not affect our report on those financial statements dated February 27, 2007. We have not considered the internal control since the date of our report.



Douglas Wohlberg CPA
Byron Center, Michigan
February 27, 2007

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Township Board
Sheridan Charter Township
Newaygo County, Michigan

We have audited the general purpose financial statements of Sheridan Charter Township, Newaygo County, Michigan as of and for the year ended December 31, 2006, and have issued our report thereon dated February 27, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

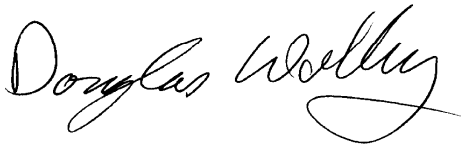
Compliance

As part of obtaining reasonable assurance about whether Sheridan Charter Township's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Sheridan Charter Township's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management, others within the organization, the Township Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Douglas Wohlberg CPA
Byron Center, Michigan
February 27, 2007